



Rep. Keith Farnham

**Filed: 4/17/2013**

09800HB0598ham001

LRB098 03420 MGM 44648 a

1 AMENDMENT TO HOUSE BILL 598

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 598 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Real Estate License Act of 2000 is amended  
5 by changing Section 10-10 as follows:

6 (225 ILCS 454/10-10)

7 (Section scheduled to be repealed on January 1, 2020)

8 Sec. 10-10. Disclosure of compensation.

9 (a) A licensee must disclose to a client the sponsoring  
10 broker's compensation and policy with regard to cooperating  
11 with brokers who represent other parties in a transaction.

12 (b) A licensee must disclose to a client all sources of  
13 compensation related to the transaction received by the  
14 licensee from a third party.

15 (c) If a licensee refers a client to a third party in which  
16 the licensee has greater than a 1% ownership interest or from

1 which the licensee receives or may receive dividends or other  
2 profit sharing distributions, other than a publicly held or  
3 traded company, for the purpose of the client obtaining  
4 services related to the transaction, then the licensee shall  
5 disclose that fact to the client at the time of making the  
6 referral.

7 (d) If in any one transaction a sponsoring broker receives  
8 compensation from both the buyer and seller or lessee and  
9 lessor of real estate, the sponsoring broker shall disclose in  
10 writing to a client the fact that the compensation is being  
11 paid by both buyer and seller or lessee and lessor.

12 (e) Nothing in the Act shall prohibit the cooperation with  
13 or a payment of compensation to a person not domiciled in this  
14 State or country who is licensed as a real estate broker in his  
15 or her state or country of domicile or to a resident of a  
16 country that does not require a person to be licensed to act as  
17 a real estate broker if the person complies with the laws of  
18 the country in which that person resides and practices there as  
19 a real estate broker.

20 (f) Any broker or other party representing an individual,  
21 company, or other entity seeking to lease commercial real  
22 estate, including retail, office, or industrial property, but  
23 not residential property, in excess of 3,000 square feet of  
24 floor space for a term of one year or more, shall, before  
25 engaging in any activity in connection with the representation,  
26 provide the tenant with a written statement setting forth, in

1 reasonable detail, the basis on which the broker intends to  
2 charge a commission or fee for the representation, such as  
3 percentage of rent, charge per square foot of floor space per  
4 year, a fixed amount, or any other other charge, and a  
5 reasonable estimate of the dollar amount of the fee.

6 (g) Any owner of commercial real estate shall, before  
7 leasing floor space in excess of 3,000 square feet for a period  
8 of one year or more, provide the tenant with a written  
9 statement of all commissions to be paid to a broker in  
10 connection with the transaction.

11 (h) Any broker or owner of commercial real estate who fails  
12 to comply with the requirements of subsections (f) and (g) of  
13 this Section in connection with any signed lease shall be  
14 liable to the tenant under the lease in an amount up to 3 times  
15 the amount of the commission or other fees charged from the  
16 transaction, plus any reasonable legal fees incurred in  
17 enforcing this subsection (h).

18 (Source: P.A. 91-245, eff. 12-31-99; 92-217, eff. 8-2-01.)".